



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

May 5, 2000

H.R. 1651

An act to amend the Fishermen's Protective Act of 1967 to extend the period during which reimbursement may be provided to owners of United States fishing vessels for costs incurred when such a vessel is seized and detained by a foreign country, and for other purposes

As ordered reported by the Senate Committee on Commerce, Science, and Transportation on April 13, 2000

SUMMARY

Assuming appropriation of the authorized amounts, CBO estimates that implementing H.R. 1651 would cost \$136 million over the 2000-2005 period. The act would affect direct spending; therefore, pay-as-you-go procedures would apply, but CBO estimates that any such effects would not be significant. H.R. 1651 contains no intergovernmental mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would impose no significant costs on state, local, or tribal governments. Any costs incurred by the state of Alaska to manage an agreement with Canada would be incurred voluntarily.

H.R. 1651 would impose a private-sector mandate, as defined by UMRA, on some vessel operators. CBO estimates that the cost of complying with the mandate would be well below the threshold established by UMRA (\$109 million in 2000, adjusted annually for inflation).

H.R. 1651 would authorize the Fisherman's Guaranty Fund through fiscal year 2003, and would allow additional fee payments into that fund. Title II of the act would create a six-member Yukon River Salmon Panel to advise the Secretary of State regarding the negotiation of any international agreement with Canada concerning the management of certain salmon stocks. This title also would authorize the Secretary of the Interior to carry out projects to restore such salmon stocks and would authorize the appropriation of \$4 million for each of fiscal years 2000 through 2003 for these purposes. Title III would authorize the Secretary of Commerce to purchase, lease, or charter up to six fishery survey vessels. For this purpose, the act would authorize the appropriation of \$60 million for each of fiscal years 2002 and 2003.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of H.R. 1651 is shown in the following table. The costs of this legislation fall within budget function 300 (natural resources and environment).

	By Fiscal Year, in Millions of Dollars					
	2000	2001	2002	2003	2004	2005
CHANGES IN SPENDING SUBJECT TO APPROPRIATION						
Authorization Level	4	4	64	64	0	0
Estimated Outlays	3	4	25	46	34	24

BASIS OF ESTIMATE

For purposes of this estimate, CBO assumes that H.R. 1651 will be enacted during fiscal year 2000 and that the entire amounts authorized by titles II and III will be appropriated for each fiscal year. The authorization level for each of fiscal years 2000 through 2003 contains \$4 million for salmon restoration and other activities authorized under title II. Fiscal years 2002 and 2003 authorization levels include an additional \$60 million annually for the acquisition of fishery research vessels.

Title I of H.R. 1651 would authorize the Fisherman's Guaranty Fund through fiscal year 2003, allowing additional payments of fees into that fund. The Fisherman's Guaranty Fund pays owners of U.S. fishing vessels for certain financial losses if their vessels are seized by a foreign nation. Owners pay fees sufficient to cover the cost of these payments. The fund has a current balance of \$2.8 million. However, no owners have applied to participate in the program in recent years, and the fund has paid only one claim since 1987. (That claim resulted in payments for four vessels totaling less than \$200,000.) Thus, CBO estimates that any additional offsetting receipts from fees or spending for claims would not be significant.

PAY-AS-YOU-GO CONSIDERATIONS

The Balanced Budget and Emergency Deficit Control Act sets up pay-as-you-go procedures for legislation affecting direct spending and receipts. Because H.R. 1651 would affect direct spending and receipts, pay-as-you-go procedures would apply, but CBO estimates any such effects would not be significant.

ESTIMATED IMPACT ON STATE, LOCAL, AND TRIBAL GOVERNMENTS

H.R. 1651 contains no intergovernmental mandates defined in the Unfunded Mandates Reform Act and would impose no significant costs on state, local, or tribal governments. Any costs incurred by the state of Alaska to manage an agreement with Canada regarding salmon stocks originating from the Yukon River in Canada would be incurred voluntarily.

ESTIMATED IMPACT ON THE PRIVATE SECTOR

H.R. 1651 would impose a private-sector mandate, as defined by UMRA, on some vessel operators. CBO estimates that the cost of complying with the mandate would be well below the threshold established by UMRA (\$109 million in 2000, adjusted annually for inflation).

The bill would amend the Atlantic Tunas Convention Act to prohibit vessel operators that hold federal boat permits in the harpoon and general categories from using aircraft to locate, catch, retain, or possess Atlantic bluefin tuna. Less than 1 percent of operators that hold those permits use such aircraft.

The vessel operators that use aircraft catch more Atlantic bluefin tuna compared with those that do not use such aircraft. Based on information from government and industry sources, under H.R. 1651, it is likely that the vessel operators prohibited from using such aircraft would have a reduction in their income because their total catch would be less. Moreover, some of their loss in income could be realized by other vessel operators not now using aircraft whose catch could increase. Current estimates of the size of the harpoon and general fisheries range from \$10 million to \$20 million annually. Consequently, CBO estimates that the net direct costs of the mandate to vessel operators in the affected fisheries would be well below the private-sector threshold.

PREVIOUS CBO ESTIMATES

On June 21, 1999, CBO transmitted a cost estimate for H.R. 1651, the Fisherman's Protective Act Amendments of 1999, as ordered reported by the House Committee on Resources on June 9, 1999. The CBO estimate for title I of the Senate version of H.R. 1651 is identical to our estimate for the House version of H.R. 1651. The House version of H.R. 1651, however, did not contain a private-sector mandate.

On July 20, 1999, CBO transmitted a cost estimate for H.R. 2181, the Fisheries Survey Vessel Authorization Act of 1999, as ordered reported by the House Committee on Resources on June 30, 1999. The provisions of H.R. 2181 and those of title III of the Senate

version of H.R. 1651 are similar, but our estimates are different to reflect the fact that H.R. 2181 would authorize the appropriation of \$60 million for five years instead of two, as in the Senate version of H.R. 1651.

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